

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1565 – SB 1740

April 13, 2011

SUMMARY OF AMENDMENT (005655): Deletes the original bill. Narrows the existing Class B misdemeanor of gambling promotion to include a person who knowingly induces or aids another to engage in illegal gambling. Redefines “gambling enterprise” to mean two or more persons regularly engaged in gambling promotion as defined in Tenn. Code Ann. § 39-17-503, who are not a manufacturer, seller, or lessor of gambling devices as described in Tenn. Code Ann. § 39-17-505 (a)(5). Authorizes a manufacturer, seller, or lessor of gambling devices to use those devices or records for purposes that are ancillary or accessorial to the manufacturing, selling, or leasing process or business, including research and development and training. Specifies that the use or operation of computers, computer servers, and similar electronic devices and all information owned, maintained, or stored on such devices shall also be considered ancillary or accessorial to the manufacturing, selling, or leasing process or business. This exemption does not apply unless the manufacturer, seller, or lessor, in addition to meeting or exceeding federal government requirements pursuant to 15 U.S.C. § 1171 et seq. and providing a copy of the request for registration to the Secretary of State of Tennessee, also provides copies of each gambling license or permit issued by any regulatory authority to the Secretary of State of Tennessee, and pays a \$10,000 fee prior to January 1st of that year. Requires the manufacturer, seller, or lessor to provide the Secretary of State of Tennessee with proof of annual registration under 15 U.S.C. § 1171 et seq. with the Office of the United States Attorney General within 30 days of the receipt thereof. Specifies that any gambling device or record used to place gambling bets in Tennessee is contraband and is subject to seizure, confiscation, and forfeiture.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue - \$30,000

Assumptions applied to amendment:

- According to the Charitable Solicitations Division, there have been three filings this year. An increase in state revenue of \$30,000 (\$10,000 x 3) resulting from the new \$10,000 fee that must be paid to the Secretary of State’s office to meet the requirements of the exemption.

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- There will not be a sufficient reduction in prosecutions for state or local government to experience any significant decrease in revenue or expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, appearing to read "James W. White" with a stylized flourish at the end.

James W. White, Executive Director

/lsc